



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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For Immediate Release

Friday, July 11, 2003

Grassley, Baucus Express Concern About E.U. Attempts to Undermine Prior Trade Accords

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, and Sen. Max Baucus, ranking member, today expressed concern about several European Union proposals to undermine existing terms and mandates on the geographic origin of goods.

The text of the senators' letter to Robert Zoellick, U.S. trade representative, follows.

July 11, 2003

The Honorable Robert B. Zoellick
United States Trade Representative
600 17th Street, NW
Washington DC 20508

Dear Mr. Ambassador:

We are writing to express our serious concerns about several European Union proposals on geographical indications within the context of the World Trade Organization Doha Round negotiations. As you know, a GI identifies the geographic origin of a good and its use may be restricted where the geographic origin is essential to the quality, reputation, or other characteristic of the good and where the GI is not identical to a term that has fallen into customary usage. In the United States, legitimate GIs are protected under trademark law.

Specifically, we are concerned by the EU's efforts to expand the GI notification and registration procedures for wines and spirits under Article 23 of the TRIPS Agreement to other products. We are even more disturbed by reports that the EU is conditioning progress on further liberalization of agricultural trade in the Doha negotiations to agreement on expanding the scope of TRIPS Article 23 in order to provide additional protections for the GIs of products other than wines and spirits. These attempts to create enhanced WTO protections and procedures for GIs are outside the negotiating mandate of the Doha Round and should be rejected accordingly.

We are also concerned by the efforts of the EU to attach binding legal obligations to the TRIPS wine and spirits registry and to extend such obligations to all WTO Members, even if they choose not to participate in the wine and spirits registry. Any attempt to create such binding legal obligations exceeds the mandate provided in TRIPS Article 23.4 and should be rejected outright.

We urge you to remain firm in your opposition to each of these efforts by the EU, and in particular to reject any linkage between expanding GI protections and advancing progress in the agriculture negotiations in the WTO. Efforts to liberalize trade in agricultural goods should not be held back by the EU's attempts to renegotiate the consensus reached under TRIPS. As you know, TRIPS Article 24 grandfathers terms that have fallen into common usage and are identical to the GIs of other Members. These efforts by the EU are simply an attempt to whittle away the grandfather clause and thereby unilaterally create new protections for European terms that have fallen into common usage. If successful, the EU's efforts would deprive U.S. producers that have devoted substantial amounts of time and money to market development of the benefits of their longstanding efforts. In our view, such an outcome is unacceptable.

We find it ironic that the EU would attempt to renegotiate TRIPS in order to create new protections for GIs given the ongoing failure of the EU to adhere to its existing obligations with respect to protecting the GIs of other WTO Members. For too long, the EU has denied MFN and national treatment to the GIs of other Members, including the United States. This is an issue of fundamental fairness as well as honoring one's commitments. The legitimate GIs of the EU are afforded trademark protection under current U.S. law, and we are entitled to the same from the EU.

We support your efforts to pursue consultations with the EU over European Council Regulation 2081/92 on the protection of GIs for agricultural products and foodstuffs. We also encourage you to advance WTO dispute resolution procedures as soon as possible should those consultations fail. This issue was first raised with the EU in June 1999, and although the EU has implemented some changes since then, those changes are not enough. We have been more than patient in awaiting an acceptable resolution of this issue. In our view, the time for waiting is over.

We look forward to working with you toward a successful conclusion of WTO negotiations that will truly level the playing field for all food and agriculture producers.

Thank you for your consideration of these important issues.

Sincerely,

Charles Grassley
Chairman

Max Baucus
Ranking Member